



July 9, 2014

Item No. 6

AUTHORIZATION TO EXECUTE AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR MILWAUKEE AVENUE APARTMENTS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing the Chief Executive Officer (CEO) or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments Contract (AHAP) for Milwaukee Avenue Apartments; 2) execute a Housing Assistance Payments Contract (HAP) for Milwaukee Avenue Apartments; and 3) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The proposed contract supports Plan Forward Goal #1: coordinating public and private investment to develop healthy, vibrant communities.

This contract will result in more affordable housing opportunities for people with physical disabilities by providing Property Rental Assistance (PRA) for 11 apartments as detailed below.

FUNDING: Housing Choice Voucher Program (HCV)

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Milwaukee Avenue Apartments	Avondale/ 30 th Ward/ Ald. Reboyras	Full Circle Communities	People with Physical Disabilities	11	32

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
Milwaukee Avenue Apartments	HCV	30 Years	AHAP/ HAP Contract	\$113,172/ year	\$4,591,171 (30 years)	February 2013/April 2014

Proposed Development: Milwaukee Avenue Apartments

- New construction of 4-story elevator building in Avondale containing 32 fully accessible units consisting of 25 one-bedroom and 7 two-bedroom units. The PRA mix will be 9 one-bedroom and 2 two-bedroom units.
- CHA provided a preliminary commitment letter in July 2013. All financing has since been secured and the developer plans to close in August 2014.
- Building amenities include a community room, library computer labs, laundry facilities, on-site supportive services and property management offices.

Developer Background

- Full Circle Communities, Inc. is a non-profit corporation whose mission is to create and preserve affordable housing and provide services to the residents.
- Full Circle will contribute at least 75% of the project's cash flow and developer fee to provide services.
- Full Circle has developed and owns and manages over 300 units in Chicago and Florida.
- Supportive services will be provided by Over the Rainbow, an Evanston-based organization that services over 500 people across Northern Illinois.

Developer Financing

- Low Income Housing Tax Credit Equity: \$7M
- IHDA Permanent Supportive Housing Funds: \$1.3M
- City of Chicago Tax Increment Financing: \$1M
- Deferred Developer Fee: \$308,500
- Illinois Department of Commerce & Economic Opportunity : \$90,000

Waiting List / Occupancy Process

It is the intent of the owner/manager of Milwaukee Avenue Apartments to lease all of the PRA-assisted units to eligible disabled families from the CHA's waiting lists. CHA will refer disabled families from the Public Housing and PRA waiting lists as well as disabled families whose right of return under the Relocation Rights Contract has not been satisfied. The CHA waiting lists will be exhausted prior to utilization of a site-based waiting list.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to execute an AHAP and HAP contract for Milwaukee Avenue Apartments.

The CEO/President recommends the approval to execute an AHAP and HAP contract for Milwaukee Avenue Apartments.

RESOLUTION 2014-CHA-72

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated July 9, 2014 requesting authorization to execute an AHAP and HAP contract for Milwaukee Avenue Apartments;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute an AHAP and HAP contract for Milwaukee Avenue Apartments.



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